Campaign 2000

End Child & Family Poverty in Canada

CHILD AND FAMILY POVERTY REPORT CARD—2011

The Portrait of Poverty

Social Planning Council
of Winnipeg

Acknowledgements

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This report card has been developed by the local Campaign 2000 Continues Steering Committee of the Social Planning Council of Winnipeg.

Most data were prepared by Campaign 2000 using Statistics Canada's Census Data and Survey of Labour and Income Dynamics (SLID) master file data and by the Social Planning and Research Council of BC using Statistics Canada's Income Trends in Canada 1980-2006. Other sources can be found in the endnotes.

the Social Planning Council of Winnipeg is dedicated to the support of Campaign 2000 initiatives within Manitoba.
This report is available for download at: www.spcw.mb.ca.

CHILD AND FAMILY POVERTY REPORT CARD 2011

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1. Executive Summary

Poverty continues to have a detrimental impact on the lives of nearly one in three children in Manitoba. According to the Statistics Canada Low Income Measure (LIM, before taxes), over 90,000 children live in poverty. Included in these unreasonably and unnecessarily high numbers are nearly 30,000 Manitoba children, whose families do not receive the necessary supports to meet their basic needs, as measured by the Canada Market Basket Measure (MBM).

The number of children and their families who struggle financially has not changed significantly since 1989 when the Federal Government passed an all-party resolution to end child poverty in Canada by the year 2000.

The portrait of poverty presented in this report includes a statistical profile of poverty as seen through the lens of Campaign 2000, a national effort to eradicate poverty. The portrait also describes some of the ways people find to cope with poverty. In general, poverty is presented here as both a measure of deprivation (not having enough money) and social exclusion (being restricted in striving for a higher quality of life).

The data in this Child and Family Poverty Report Card clearly illustrates the dire circumstances faced by those living below accepted poverty measures. The Report Card is a social critique and offers constructive recommendations to stimulate Manitobans to exert influence on those who can reduce, and hopefully eradicate poverty. Using 2009 data, the latest available, we see that a portrait of poverty in Manitoba includes:

- **92,650 children in Manitoba living in families with an annual income less than $35,500 (before taxes) a year,**
- **29,000 children in Manitoba living in families with annual incomes insufficient for meeting basic needs,**
- **29,563 Manitoban children using food banks each month because their families cannot afford to purchase the necessary food they require,**

- **59,734 individuals accessed Employment and Income Assistance in 2009,**
- **The richest 20% of Manitoban families have more total income than the poorest 60% of the population.**

What these numbers display is that poverty and inequality persist despite official and unofficial efforts to increase incomes and lower the social/economic barriers that people living in poverty face. Since 1989 when the Parliament of Canada unanimously voted to end child poverty by the year 2000, there has been focused interest on developing poverty reduction strategies at the provincial level. While some of these strategies have not yet had time to have a full impact, the cruel reality is that more than 30% of Manitoban children have been living in poverty for the last three decades.

A potential asset on the horizon for those living in poverty is the newly passed Poverty Reduction Strategy Act (June 2011). Similar governmental efforts in Quebec and Newfoundland and Labrador have shown how concerted government policies and programs can reduce the numbers of people living in poverty. The Province introduced the "All Aboard" Poverty Reduction and Social Inclusion Strategy to create the conditions that would allow people to participate fully in society. In the Strategy are four pillars of the plan to designed to reduce poverty:

- safe, affordable housing in supportive communities
- education, jobs and income support
- strong, healthy families
- accessible, co-ordinated services

Despite the introduction of these programs, high numbers of Manitoba children and their families are continuing to rely on social supports to maintain a rudimentary lifestyle. Thousands of people in Manitoba are relying on Employment and Income Assistance (EIA), Employment Insurance, social housing, food banks, local charities, families and a number of health and social services. While many people access EIA, a significant proportion use it only once and get back on their feet, some, particularly people with disabilities and people with significant barriers to employment, remain on welfare for years. None of these supports provide people a living income, though they do help people fend off the worst implications of poverty. These supports do not necessarily give people the leverage to improve their capacity to thrive, but, at least, they are able to fend off the worst dimensions of destitution.

There is no one reason that poverty persists in Manitoba. While there have been some new initiatives announced. While some people are moving up the income ladder and becoming financially independent, others are moving off reserve or coming into the province and need support. Generally, economic conditions, combined with taxation changes have not generated the jobs and government revenues that are needed for major efforts to help people extricate themselves from poverty conditions.

For the future, Manitobans living in poverty or on its precarious margins can expect continued financial stress and will still have to find new ways of making ends meet. Global economic conditions are precariously balanced, and government resources particularly the federal transfer payments to the province are not expected to increase.

Current supports offered by community organizations are stressed to capacity and over loaded. A potential major asset on the horizon for those living in poverty is the newly passed Poverty Reduction Strategy legislation (June 2011). Similar governmental efforts in Quebec and Newfoundland and Labrador have shown how concerted government policies and programs can reduce the numbers of people living in poverty. However, we have yet to see what the Manitoba version will produce in the long run.

In our assessment, we as society get a failing grade. While there is a great deal of public concern about economic and social ramifications of poverty, it appears we have not made the effort to change things. We are doing what is required to mitigate the worst effects of poverty, but we have not taken the major steps needed to eradicate child poverty.

2. Poverty Portrait

The stereotypical views of poverty tend to focus on disadvantaged groups in society, including Aboriginal people, visible minorities, immigrants, and persons with disabilities. Systemic factors, historical conditions and social prejudices work against marginalized groups to keep them living in poverty. Children, in particular, are directly affected by poverty - their physical and emotional health compromised, their future -being jeopardized and their educational and cultural opportunities limited.

Poverty is not exclusive to the inner city, however, as poverty is found in all neighbourhoods and rural communities of Manitoba. At times due to unforeseen circumstances such as a force of nature as thousands of Manitobans, had their livelihoods and homes threatened or wiped out by the spring floods, and the lingering effects of the recession. Despite a strong provincial economy, Manitobans still are adversely affected by the growing global economic insecurity.

Despite the overrepresentation of the minority groups, the working middle class is increasingly feeling the economic and social pressures of near poverty. They are experiencing stagnating incomes and a rising cost of living. Unemployment in Manitoba remains significantly high despite comparisons to other provinces, therefore, a constant concern. More and more workers are giving up on full-time permanent jobs and taking contract or temporary employment.

People often mask their financial struggles while living in poverty or near-poverty conditions. While many living in poverty are unemployed, more working people are finding it impossible to cover increased housing costs, child care, health care, food, transportation, and taxes.

Being poor is also not just being unable to purchase the goods and services that Canadians define as essential: food, shelter and clothing. Being poor is being unable to afford recreation, safe housing, furniture, school supplies and access to cultural activities that define our Canadian quality of life. For a child being poor can have a dramatic impact on their chances of success in a number of life choices, it can mean being victimized or stigmatized in school or suffering from low self-esteem. This exclusion may drive some youth to being aggressors, being further stereotyped, and being further unable to participate in the same activities as their peers. It can leave children vulnerable to violence homicide, sexual assault, neglect and abandonment, and other maltreatment, high risk of suicide, or self-injury.

Children from low income families at times live in unsafe environments and are, exposed to risks that increase their likelihood of being injured. These children are particularly vulnerable as they have less chance of overcoming the impact of poverty, and have fewer advantages such as access to educational opportunities and health services.

This report also highlights reputable research indicating that poverty and inequality can be directly responsible for poor health and early death for many in society, rich and poor.

The best available measure that includes these broad factors, both material and social, is the Low Income Measure, before tax (LIM-BT). According to this measure, people are living in poverty when they have an income that is half of the median Canadian income for a family of equivalent size. Admittedly, like all poverty measurements, this is an arbitrary measurement level, based on a comparison to the rest of society, and what it costs to maintain a relatively minimum quality of life, according to Canadian standards. This measurement based on research that shows social disparities and income is significantly correlated to health and educational outcomes. In this report, we often refer to inadequate levels of disposable income, based on the LIM after tax (LIM-AT).

The LIM data in this report comes from the Canadian Tax Filer data, purchased from Statistics Canada. This measurement sets the low-income level, before tax, for a family with two adults and two children at $35,400. Because the overall median income in Manitoba using this data set is, less than 1% ($700) lower than the median income in Canada it is an accurate measure of poverty relative to other Canadians as well as other Manitobans. We use the pre-tax measure because this is how Canadians think of their economic status, based on what they earn. In addition, the Organization for Economic Cooperation and Development, the United Nations and the European Union use the LIM for international comparisons.

For some people, living in poverty is not being able to meet ones basic needs. For some Canadians, being poor is not having enough for food, clothing, housing and a small array of personal needs. For this level of deprivation, the Market Basket Measure (MBM) is used. This measurement is based on a package of goods and services, which the federal, provincial and territorial governments have agreed is essential for Canadian families. In this report, we often refer to 'material deprivation', which is based on MBM levels.

a. Child Poverty in Manitoba

The data show that the proportion of children living in poverty has changed little between 2000-2009 in Manitoba, and has remained almost 10 percentage points higher than the Canadian rate.

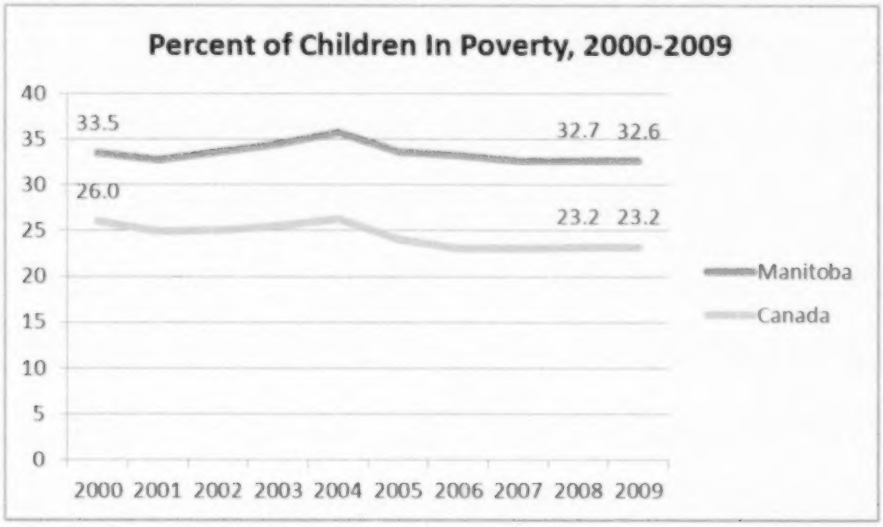

Chart 1 – Percent of Children living Below Low Income Measure – Before Taxes, 2000-2009, Canada and Manitoba.

In 2009, 32.6% of children in Manitoba, or 92,650 people under 18 years old, were living in poverty. Between the years 2003-2005, the child poverty rate decreased by 3%, largely due to the Canada Child Tax Benefit increase of about $1,000 per child for low income families.

The number of children living in poverty, using the low income measure, changed very little from 2006-2009, though prior to the 2009 recession the economy had been growing. The federal government also introduced the Universal Child Care Benefit and a non-refundable child-tax credit during this time. Though the Caledon Institute of Social Policy has shown that the Universal Child Care Benefit and non-refundable child-tax credit had greater economic benefits for wealthy families than low-income families, the data demonstrates that targeted child benefits can have a substantial impact on child poverty.

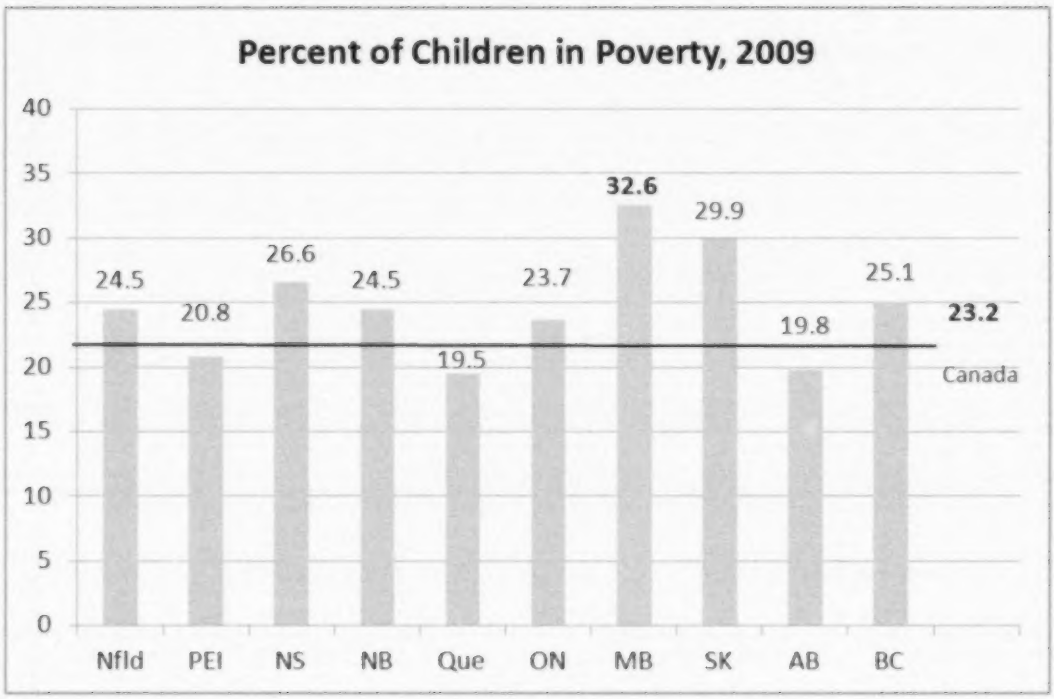

Chart 2 Percent of Children Below Low Income Measure – Before Taxes, by Province, 2009

Both Newfoundland and Quebec have long-standing strategies to reduce and eliminate poverty. Newfoundland is one of two provinces to see a sustained drop in child poverty using LIM measurements, while Quebec has continued to have the lowest child poverty rate in Canada.

The Quebec Government Action Plan to Combat Poverty and Social Exclusion developed measures worth $4.5 billion over six years. The Action Plan had a significant effect on the daily lives of low-income individuals and families. The Quebec Action Plan is primarily based on two principles:

- Employment is the leading solution in assuring the economic security and social inclusion of individuals
- More protection must be granted to individuals with a severely limited capacity for employment

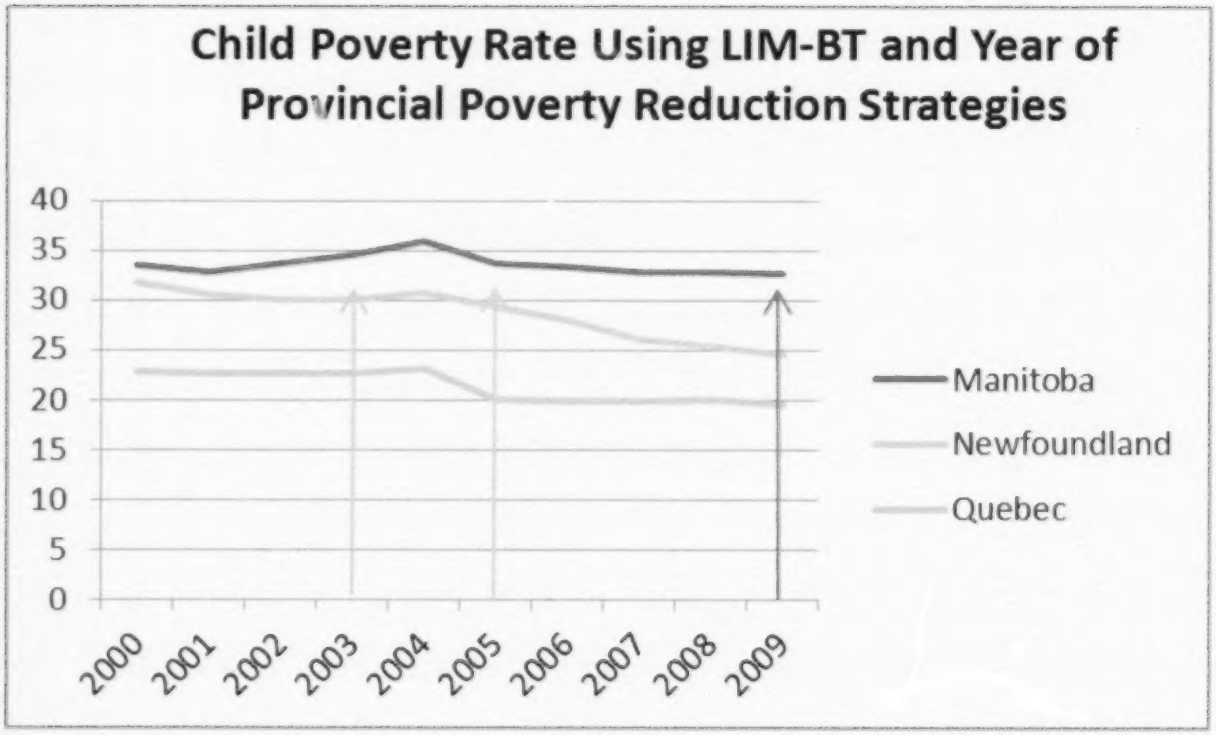

Chart 3 Child Poverty Rate for Provinces with Long-standing Poverty Reduction Strategies (arrows indicate when their PRS were adopted).

The Social Planning Council of Winnipeg will release a more in-depth examination at other provincial poverty reduction strategies, with the intention of improving Manitoba's own strategy, in November, 2011.

Low Income Measure (Before Tax), Canada, 2009, by family size			
	Number of Children Less Than 16 Years Old		
Number of Adults	0	1	2
1	$17,720	$24,810	$30,120
2	$24,810	$30,120	$35,440

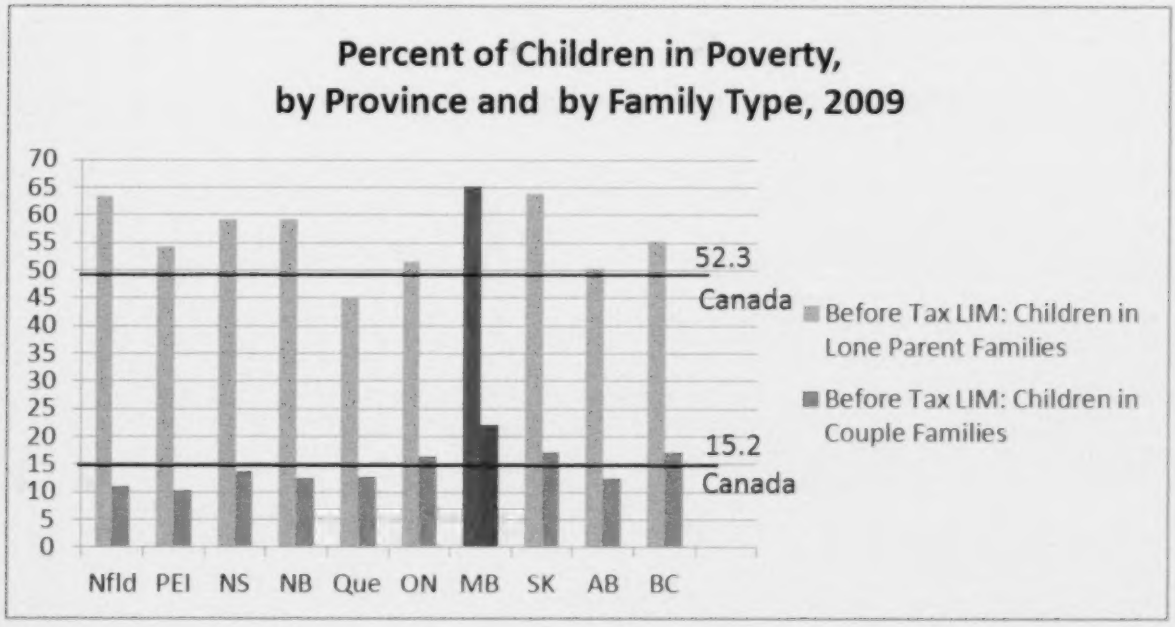

Chart 4 Family Comparisons

Children in lone parent families are, without exception, more than twice as likely to be poor as children in families with two parents. In Manitoba, children with a lone parent are more likely to live in poverty than anywhere else in the country.

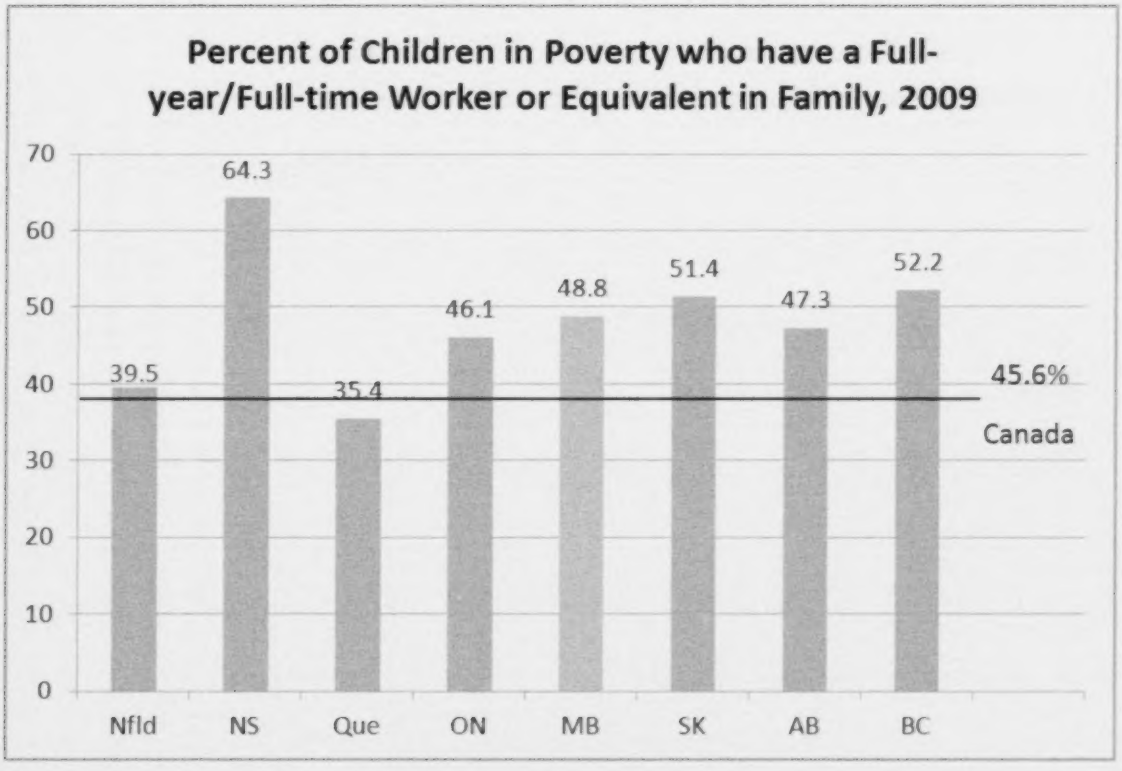

Chart 5 Percent of Children in Poverty with a Family Member with a Full-year/Full-time (or equivalent) Job, 2009.

The old phrase 'the best route out of poverty is a job' does not hold true for many. Manitoba's low wages mean that a job is not a guaranteed route out of poverty, as almost half (48.8%) of the children living in poverty in the province have a family member in the house working a full-year, full-time job or the equivalent number of hours.

This includes people who may have two or more part-time, casual, or temporary jobs with total hours worked adding to the equivalent of a full year, full time job.

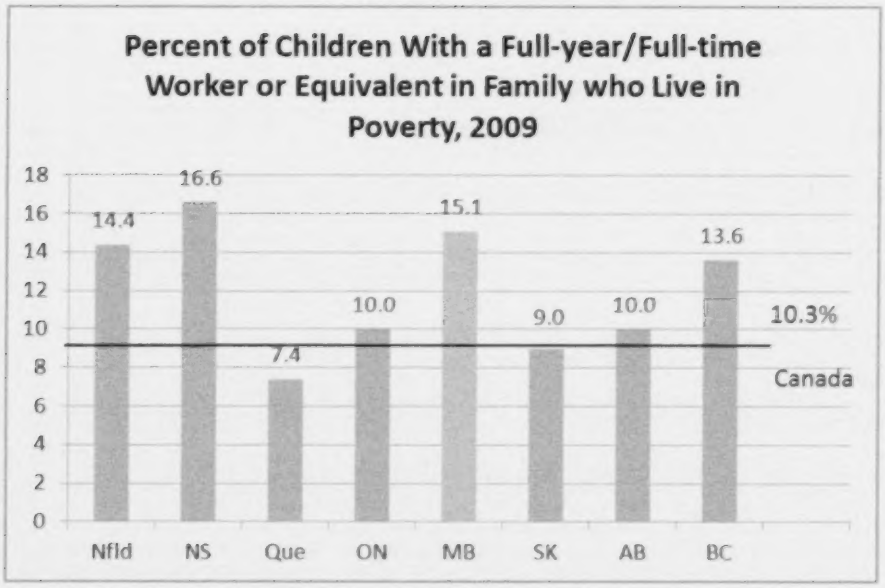

Chart 6 Percent of Children with a Full-Year/Full-Time Worker (or equivalent) in their Household who Live in Poverty, 2009.

Manitoba has the second highest child poverty rate in Canada for children with a working family member in the household.

c. Conditions of Equality

A number of recent studies have shown a direct link between social and income equality and health, education and employment achievements. For example, Wilkinson and Pickett (2009) have demonstrated that the key indicators in determining a healthy society violence, education, drug abuse, obesity, social mobility, mental and physical health, imprisonment, child well-being, obesity, teenage pregnancies, and trust and community life - are affected by inequality.

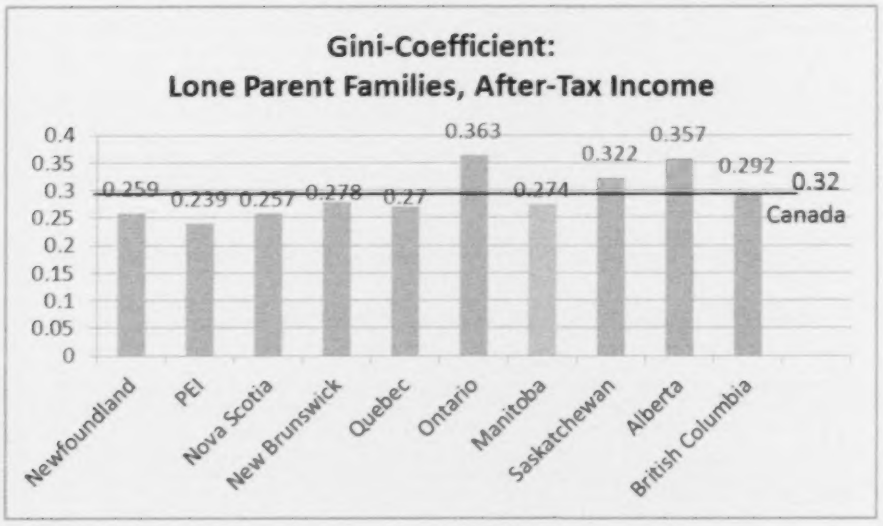

Chart 7 Gini Co-Efficient: Lone Parent Families, After-Tax Income.

The Gini Co-Efficient is a measure of inequality. A co-efficient of 0 indicates a completely economically equal society, while an co-efficient of 1 indicates total inequality.

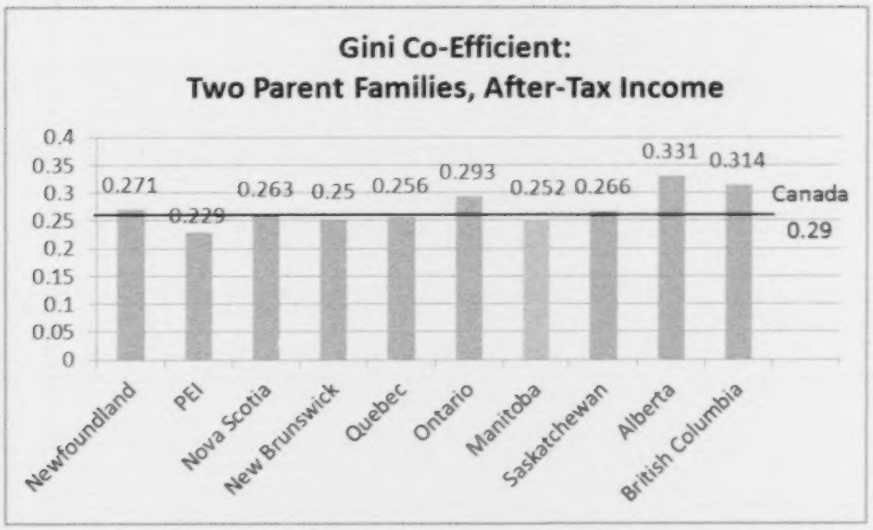

Chart 8 Gini Co-Efficient: Couple Parent Families, After-Tax Income

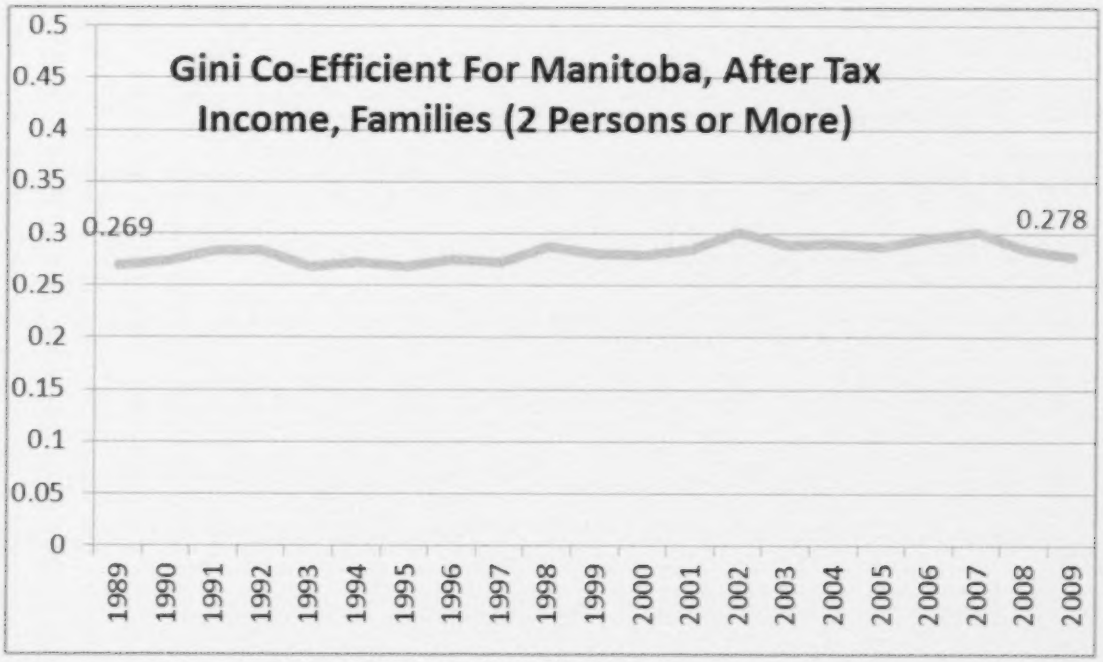

Chart 9 Gini Co-Efficient for Manitoba, based on After-Tax Income for Families (2 persons or more).

Income inequality for families in Manitoba has risen slightly since 1989 and Manitoba has been, on average, more unequal throughout the 2000s.

According to a recent study by the Conference Board of Canada, the richest group of Canadians, those in the top fifth of income earners, saw their share of national income rise from 1993 to 2008. Within this group, the biggest gainers were the super-rich, the top one per cent of income earners, who got richer from extremely high basic salaries, not investments or assets.

From 1980 to 2005, the earnings of the top group rose by 16.4%, while middle-income Canadians' incomes stagnated, and earnings for those in the bottom group slid.

The Conference Board report showed Anglophone countries with strong neo-liberal influences are the most unequal. With recent rioting in London in England and financial instability and high crime rates in the United States, these countries demonstrate that inequality has real and long term consequences.

In Canada, the top fifth of income earners take 39.2 per cent of total income (up from 35 per cent in the 1980s), while the lowest quintile takes 7.2 per cent.

Manitoba is one of the equal provinces in Canada in terms of income distribution, but by a very small margin. Still, income distribution in Manitoba is not equal. The poorest 20% of Manitoban families share just 6.9% of the total income in the province. The poorest 60% of Manitoban families combined incomes total is just a little more than the richest 20%. This pie has changed very little in the past 20 years.

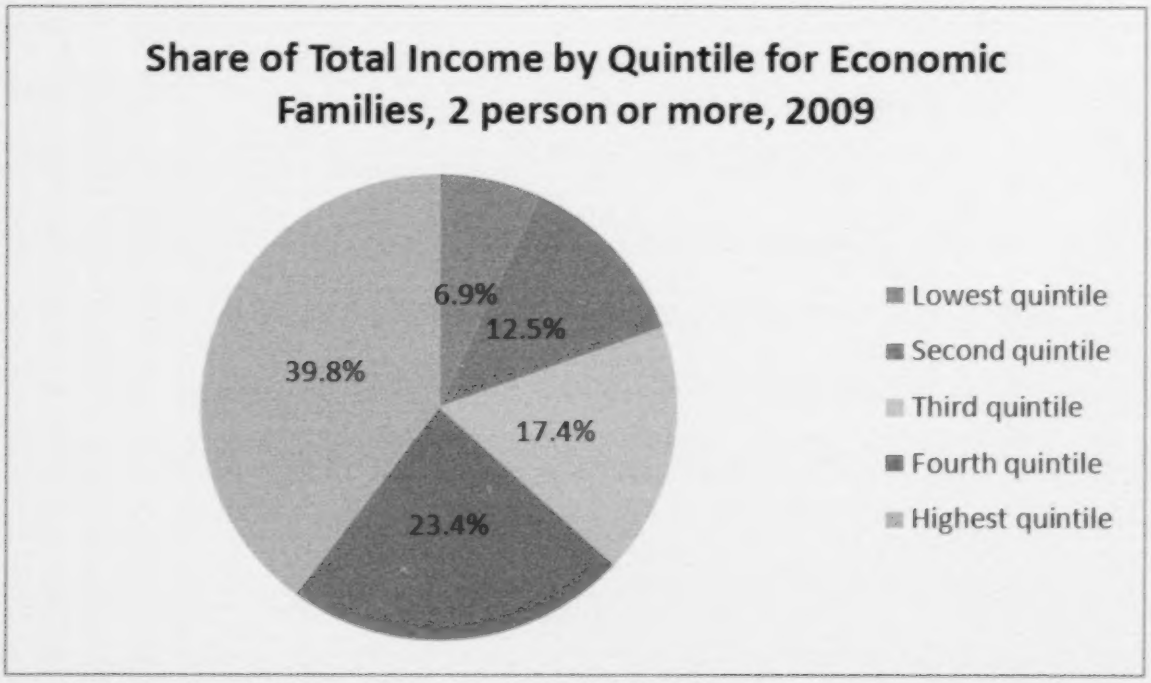

Chart 10 Share of Incomes in Manitoba by Quintile for Economic Families in 2009.

d. Inadequate Disposable Income

One aspect of poverty is having less disposable income, that is, income after taxes. This can be measured using the LIM-AT, measuring the number of children in families with less than half of the median after-tax income of families of equivalent size. Contrary to popular belief, low-income people do pay taxes and in some cases, the combination of income taxes paid and claw-backs on transfer payment income means a much higher proportional tax than people in the highest tax bracket would pay. For instance, a single mother receiving social assistance has to pay any child support she receives to the government, leaving the children no better off than if they had no child support at all.

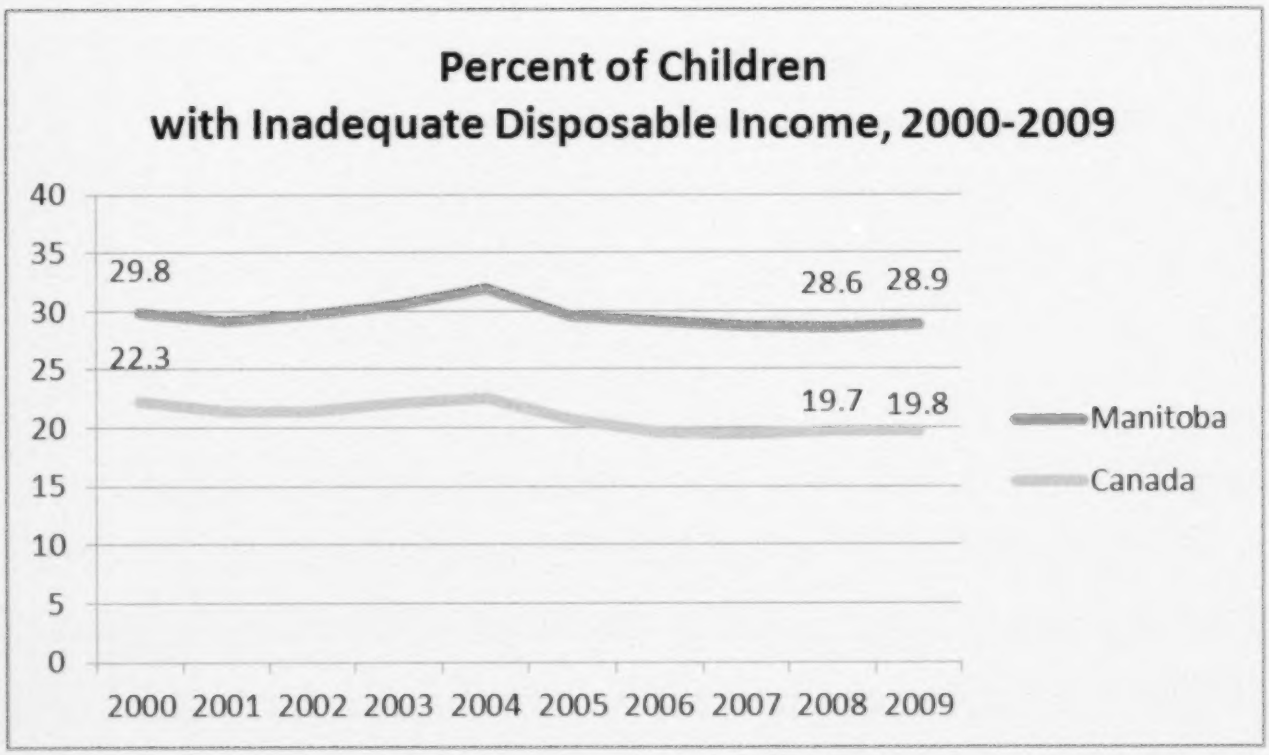

Chart 11 Percent of Children Below Low Income Measure, After Taxes, 2000-2009.

The proportion of Manitoban children in families with significantly less disposable income than other children went up in 2008-2009, and is 9 percentage points higher than the Canadian rate. The LIM-AT line for a family with two adults and two children in 2009 was $31,540.

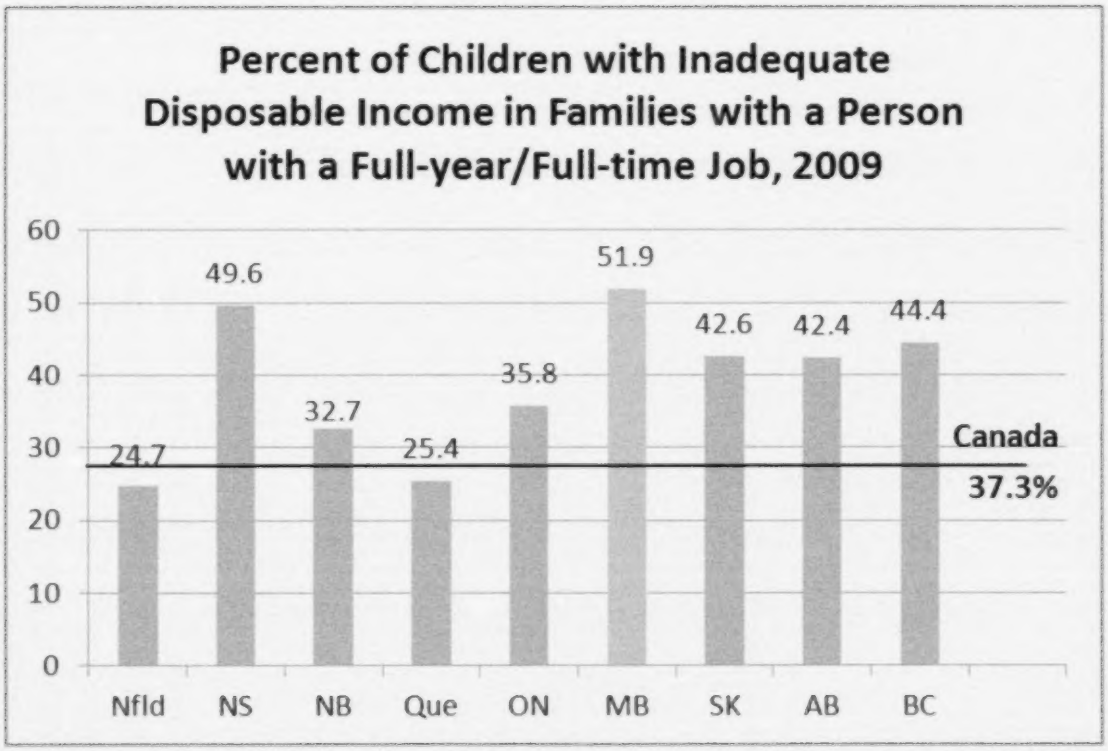

Chart 12 Percent of Children Families with Inadequate Disposable Income with a Person with a Full-year/Full-time (or equivalent) Job, 2009.

Children with inadequate disposable income in Manitoba are more likely to have a family member working full-year/full-time than do not have a working member of the family.

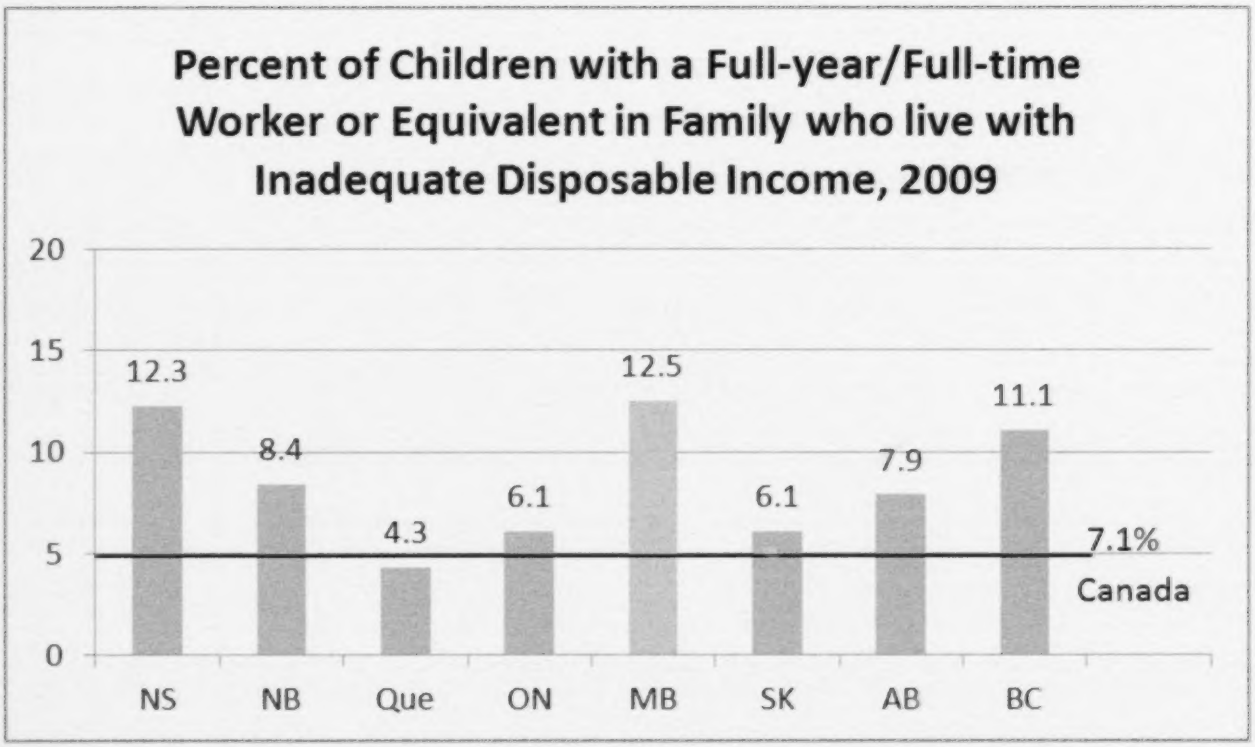

Chart 13 Percent of Children Families with Inadequate Disposable Income with a Person with a Full-year/Full-time (or equivalent) Job, 2009.

Children with inadequate disposable income in Manitoba are more likely to have a family member working full-year/full-time than do not have a working member of the family.

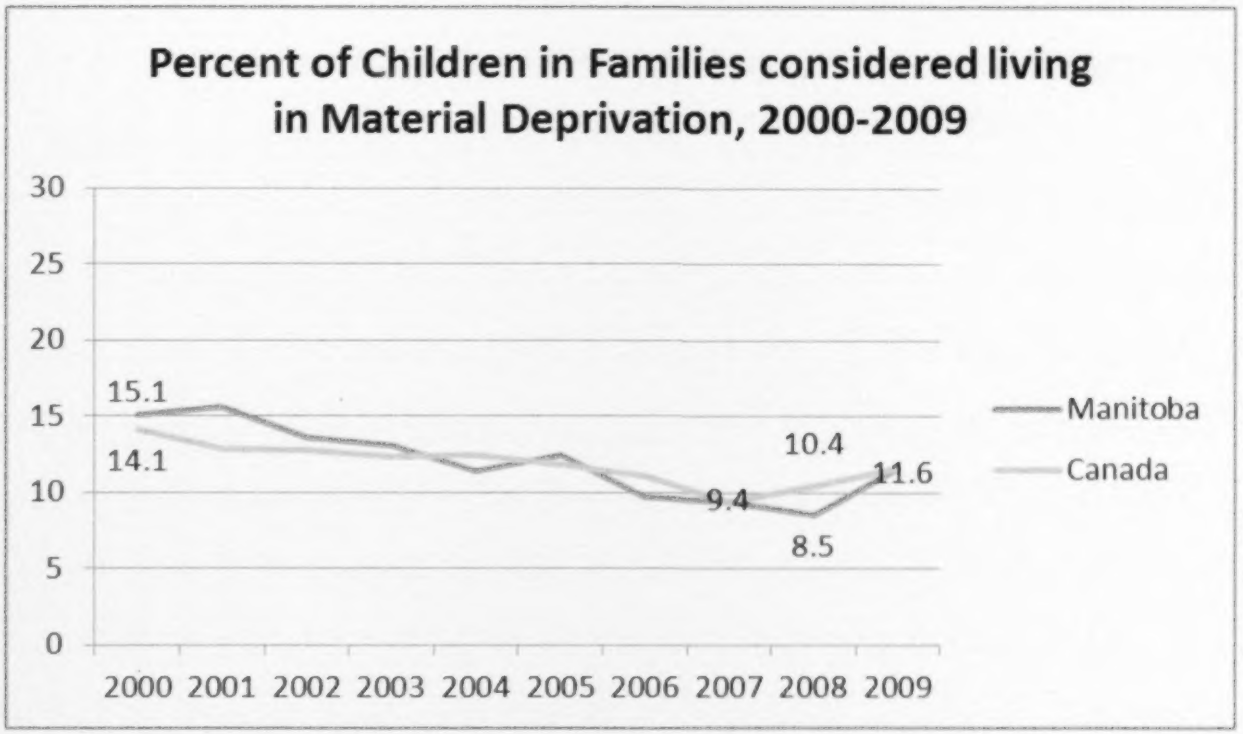

Chart 14 Percent of children with a Full-year/Full-time worker (or equivalent) in their Family who are Below the Low Income Measure, After-tax, 2009.

Manitoba has both the highest overall rate of children below the LIM-AT and the highest rate of children with a household member working a full-time job below the LIM-AT in Canada.

e. Material Deprivation

A critical aspect of poverty, sometimes called 'absolute poverty' or 'deep poverty,' is an inability to purchase the goods that a society deems to be essential. To measure material deprivation, the Market Basket Measure (MBM) has been developed. The MBM allows for various costs to be accounted for.

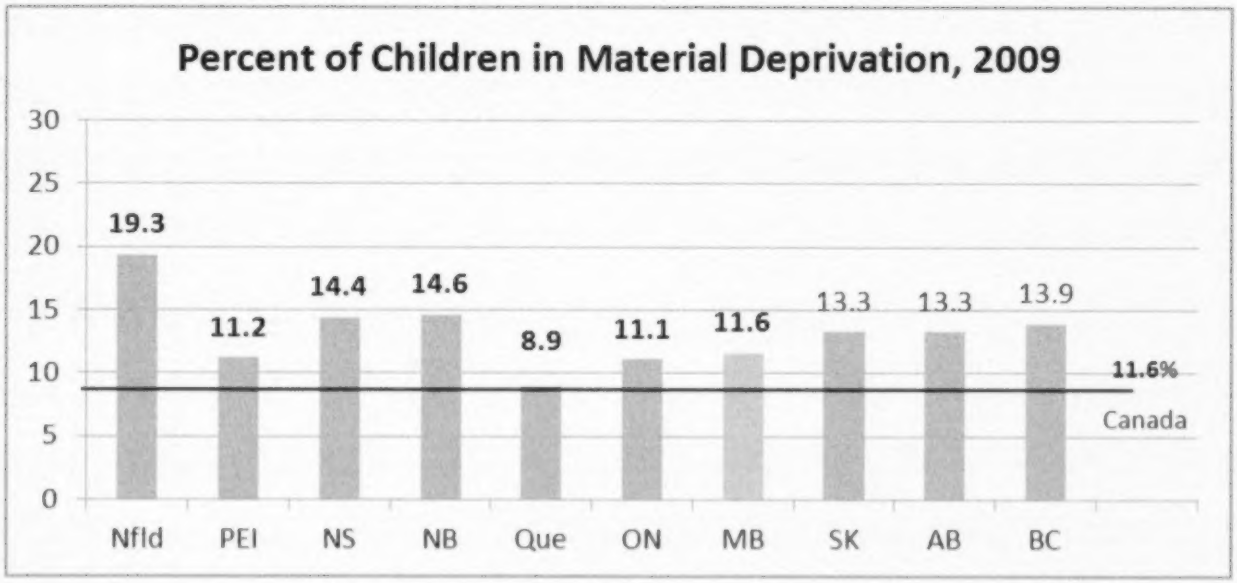

Chart 15 Percent of Children below Market Basket Measure, 2009, by Province.

The MBM line for a Winnipeg family of two adults and two children in 2009 was $29,333. The number of children in Manitoba living with less than this annual amount is nearly 30,000.

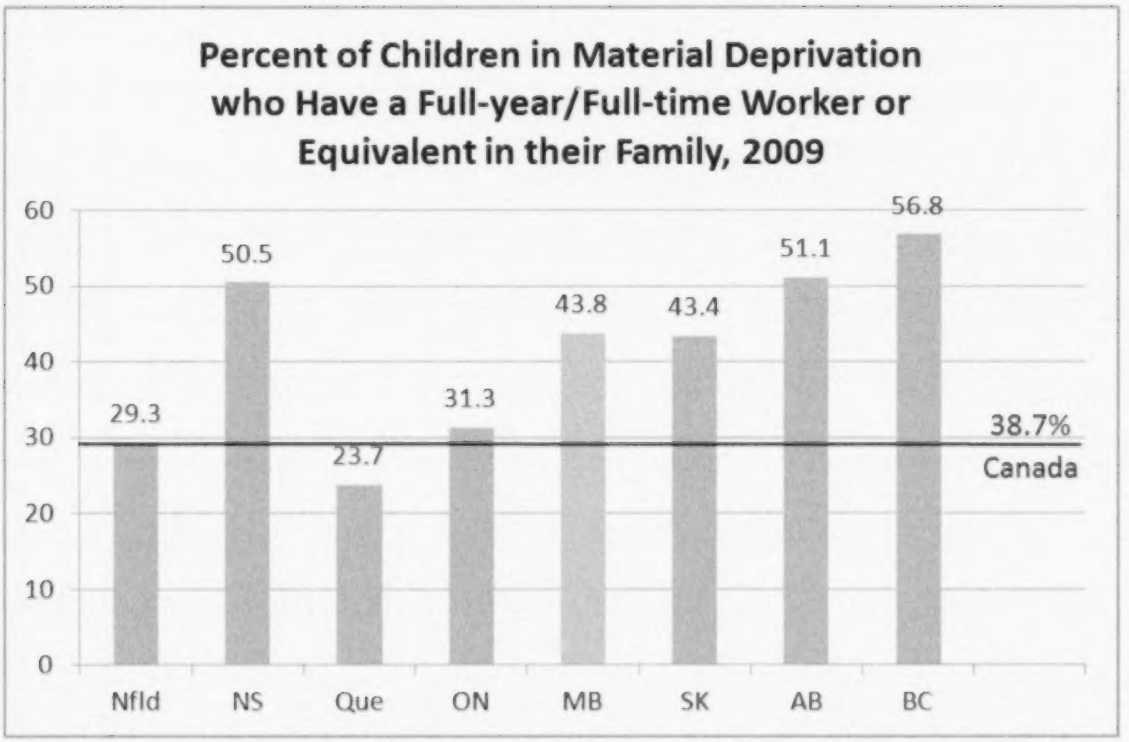

Chart 16 Percent of Children in Material Deprivation in Families with a Person with a Full-time/Full-year (or equivalent) Job, 2009.

While we tend to think of the 'poorest of the poor' as people who are unemployed, persons with disabilities, and people living on social assistance, the data shows that almost half (48.5%) of children in absolute poverty have at least one parent working full-year, full-time or equivalent.

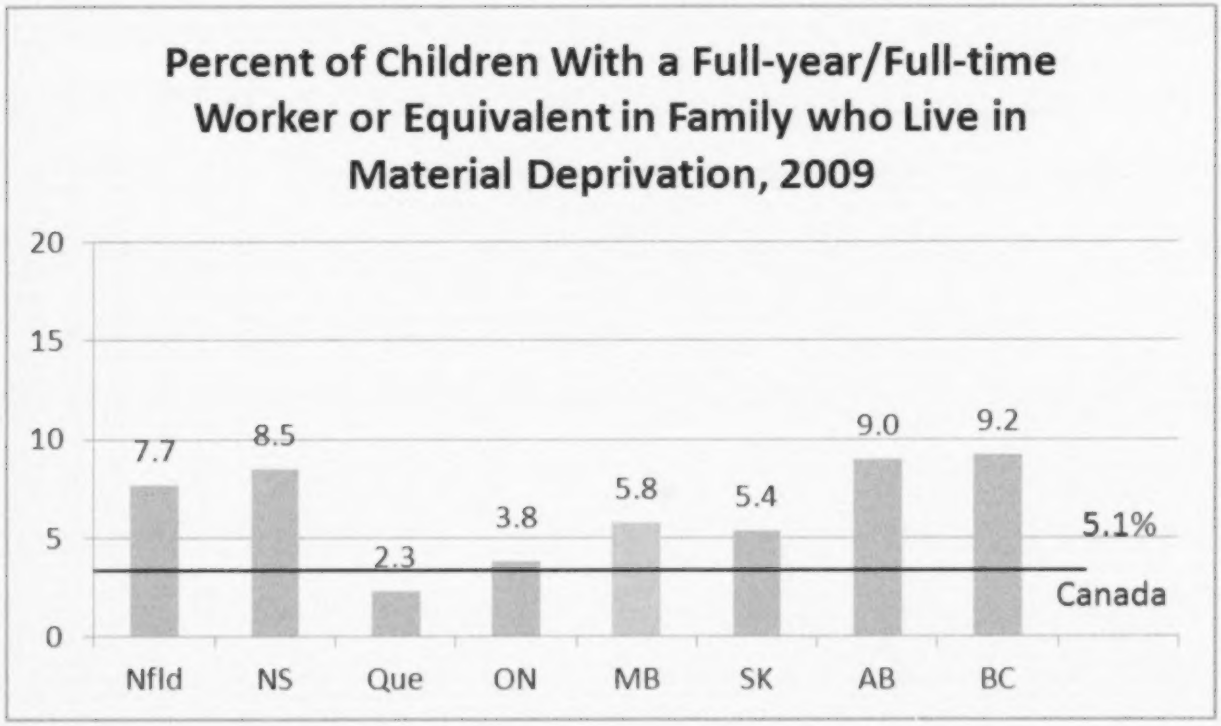

Chart 17 Percent of Children with a Full-year/Full-time Worker (or equivalent) in Family Below the MBM.

A full time job does not protect people from entering into absolute poverty. Almost 6% of children in Manitoba with a family member working full-time (or equivalent) is in a state of material deprivation.

f. National Comparisons

Manitoba has the highest rate of children living in poverty of all the provinces in Canada. Another way of explanation is that a higher percentage of children in Manitoba have a much lower standard of living than the average Canadian child.

g. Aboriginal Perspectives

The data concerning First Nations children and families are unavailable for statistical analysis, however,

The First Nations Information Governance Centre released a comprehensive report on the lives of Manitoba First Nations communities in February 2011.

The Report detailed vital information on the lifestyles, health, and poverty levels of First Nations peoples;

- One in twenty First Nation children was of low-birth weight (5.5%), which is similar to the broader Canadian average of 5.6% (NLSCY, 1999). Low birth weight children were more likely to have mothers that smoked heavily (more than 20 cigarettes a day).

- A greater proportion of First Nation children are classified as high-birth weight compared to Canadian children (21.1% vs. 13.1%)

- 62.5% of First Nation children are breastfed. This is an improvement over the rate of breastfeeding reported in the RHS 1997 (50%). The average Canadian rate of breastfeeding is 79.9% (NLSCY, 1999).

- Compared to First Nation children who were not breastfed, children who were breastfed were more often in excellent/very good health (73.1% vs. 66.8%), more likely to be an acceptable weight (33.3% vs. 26.6%), and less likely to report chronic bronchitis or chronic ear infections (10.8% vs. 14.4%).

Since the parliamentary all-party resolution on poverty in 1989;

- The population of Aboriginal identity with the addition of changes in the Indian Act has grown 45% since 1996 while the non-Aboriginal population has grown by 8%.

- While the child poverty rate of Aboriginal identity children has gone down since 1995, more than one in three children of Aboriginal identity live in low-income families.

- There were three times the number of First Nations children in care in 2008 (27,000) than in the residential schools during the 1940s, yet First Nations Child Welfare agencies receive 22% less per capita funding than provincial agencies. The Auditor General of Canada reported in 2008 that the funding formula has not been reviewed since 1988 nor adjusted for inflation since 1995.

- In 2007, the Canadian Parliament overcame jurisdictional disputes among the provinces, territories and federal government to achieve fair treatment of Aboriginal children, when it unanimously endorsed an ethical approach (known as Jordan's Principle) which calls on all government institutions and departments to ensure that children's needs are met first and jurisdictional disputes can be resolved later. The Province of Manitoba has agreed in principle, despite agreeing on implementing Jordan's Principle, it has yet to pass into legislation.

Manitoba First Nations (MFNs) were asked if the following statements were true:

In the past 12 months (between 2008-2010),

- 49% of MFNs indicated that "the food that we bought just didn't last and we didn't have money to get more"
- 45% of MFNs indicated that "I had to rely on only a few kinds of low-cost food (e.g. macaroni, rice) to feed my child/children because we were running out of money to buy food.
- 36% of MFNs indicated that "I couldn't feed my child/children a balanced meal, because I couldn't afford it"
- 24% of MFNs indicated that, "The child was not eating enough because I (the primary care giver) just *couldn't afford enough food"*

FOOD ITEM:	Year Road Round Access	Winter Road Only
Dozen Eggs	$2.67	$3.74
4L of Milk	$5.87	$11.11
10kg bag of Flour	$13.65	$19.53

h. Explanations and Causes

There is no one reason that poverty persists in Manitoba. While there have been increases in government spending on income assistance, there is still a demand for more income support. While some people are moving up the income ladder and becoming financially independent, others are moving off reserve or coming into the province and needing support. Generally, economic conditions have not generated the jobs and government revenues that are needed for major efforts to help people extricate themselves from poverty conditions.

3. How Low Income Manitobans Manage

Without the financial ability to meet basic needs, families in poverty adapt by using government and social services, relying on family, friends, and non-profit organizations, and by going without goods and activities that most middle and higher income Canadians take for granted.

In a room with low-income parents, a discussion often turns to the frustration, anxiety and fear associated with living below the poverty line. Some of these fears include running out of food before the welfare or pay cheque arrives, keeping landlords at bay, finding used sports equipment for their children or worrying about illnesses in terms of losing time at work and not having money put aside for emergencies.

Conversations often deal with where the best sales are for food, the best time to find discounts, places to earn a little extra money, and how to maintain a positive attitude while living in subsidized housing. Safety and health issues, damaged apartments, loud neighbourhoods parties, insensitive landlords, and threats from other tenants are frequently mentioned. They will sometimes also express guilt about purchasing needed new clothing verses food, the frustration of countless unanswered telephone calls to EIA workers to ask what they have to do to get the benefits of available services or programs.

It is important not overlook the people behind the numbers and graphs depicted within this report. Most people we spoke to as part of our research did not want their faces shown out of fear of further stigmatization and judgment. This poverty portrait does not fully capture the daily struggle to live with dignity, with hope, a sense of purpose, and to be treated as the same as other people.

This section will shed a little more light on how low income Manitobans manage and what some of the consequences of poverty are.

a. Family Budgeting

The 2009 Canadian LIM-AT indicator limit of inadequate disposable income using tax-data for a family of two adults and two children is $31,540 a year. The MBM indicator of material deprivation that the Government of Manitoba most commonly uses, for a family of two adults and two children in Winnipeg for 2009 is $29,333.

This basic budget, based on real Winnipeg prices and a very conservative budget with no luxury items, is unaffordable for families living in poverty. This means going to the food bank, living in sub-standard and/or crowded housing, and relying on second-hand clothing and furniture.

The cost of living in the City of Winnipeg

Item	Annual Cost	Method of and Rationale for Calculation
Shelter	$10,044.00	Average rent for 2 bedroom apartment in Winnipeg October 2010 ($837/month) according to CMHC. In that month, only fourteen 3BR units were vacant, making it unlikely that a family of four people could find one
Transportation	$2,713.20	Public transit passes for 2 adults and 2 children
Communications	$900.00	Basic home phone and basic internet, average of 2 major companies ($75/month).
Childcare	$306	Childcare ranges depending on income and subsidy available. $306 is the amount of co-pay for a family at the MBM level for after school and 5 days/week summer childcare in a daycare that accepts subsidy.
Healthcare	$679.14	Based on 2011 ALL Report for home healthcare items: Band-Aids, pain killers, cold and flu medication, plus Blue Cross Medi-Blue plan and life insurance. Does not include prescription or dental health care.
Food	$11,642.22	Based on 2011 ALL Report, which priced items necessary to meet serving requirements of Canada's Healthy Food Guide.
Household Furnishings and Operations	$2,229.02	Based on 2011 ALL Report.
Personal Care	$1,049.42	Based on 2011 ALL Report.
Clothing	$1,951.79	Based on 2011 ALL Report.
School Supplies for 2 Children	$524.14	Based on 2011 ALL Report, but does not include school trip and sports activities. Does include average of 1 computer ($800)/4 years.
Total	**$32,038.79**	

Some examples of what families in poverty cannot afford that many middle income Manitobans take for granted, are:

- A YMCA Summer camp for 1 week for 2 children: $577.00
- Hockey equipment for one player: $1,200 (plus registration and transportation)
- Christmas and birthday gifts for each family member, at $50/person/occasion: $400

Families in poverty manage low incomes in different ways depending on their circumstances. Many obtain informal support from family, friends and neighbours. In rural Manitoba especially, where programs for low-income families are rare, charity and community support are critical tools for survival.

B. Employment and Income Assistance (Welfare)

Those in the deepest poverty are people who must rely on social assistance for income. Employment and Income Assistance (EIA) rates are well below any accepted standard of poverty, with total incomes of $19,428 for a single parent and two children, including all federal benefits. There were about 16,000 children of single parents receiving EIA in Manitoba in 2009. The total income for a family of two adults and two children on EIA is currently $21,552.

In *Improving the Adequacy of Social Assistance Budgets: A methodology for Pricing Budgets and a Rationale for Making Current Rates More Adequate* retired SPCW Senior Policy Analyst, Harvey Stevens addresses the inadequacy of EIA to provide just those goods that the provincial government claims it should meet (food, clothing, personal and household needs, and shelter). The report showed that the current rates fall short. Additionally, because the EIA caseload is predominantly long-term clients with disabilities or multiple barriers to employment, Stevens makes the case that the long-term needs of families (furniture, transportation, education) are unmet by such low levels of assistance.

In May 2010, The Manitoba Ombudsman released the Report on Manitoba's Employment and Income Assistance Program. The report set out the findings and conclusions of the investigation into Manitoba's EIA program, which contained 68 recommendations for improvement. It is clear that in certain instances, the program's policies did not foster the goal of poverty reduction. In other instances there is a gap between what is required of program participants and the benefits and services available to them to meet the program requirements. The report concluded the EIA program can, should be an integral part of the provincial poverty reduction strategy, and made recommendations to improve fairness and efficiency, but also to align the administration of the program with the province's overall goal of poverty reduction.

c. Public Housing and Emergency Shelters

Children and youth in Manitoba who live in poverty are especially vulnerable and need a safe, healthy and affordable place to live. From January 1 to December 31, 2010, 556 children spent at least one night in Winnipeg's Sunrise Village Family Shelter or Ndinawemaaganag Endaawaad Inc. youth safe house. That is more than one child homeless for every night of the year. 65.6% of those children, or 365 of them, were under eleven years old.

Children who experience homelessness are at a greater risk of developing depression and anxiety, and the risk of depression continues after the child is re-housed. Experiencing homelessness disturbs children's education, often causes them to change schools and lose valuable class time. Inadequate housing exacerbates difficulties for children with special needs.

For families that manage to avoid homelessness, keeping a roof over their head can be a daily struggle. Harvey Stevens reported that people receiving EIA in Manitoba pay between 11-29% more for rent than EIA provides, meaning they are spending money meant for food and other basic needs items on rent.

Chart 20 Average monthly rents for a 2 bedroom apartment in Winnipeg over time compared to full-time full year income for one earner on minimum wage and EIA monthly income for 2 adult 2 children family.

Canada Mortgage and Housing Corporation (CMHC) have set the acceptable percent of income in a family's budget to housing at 30%. Families who are spending more than 30% of their income on shelter are classified as being in core housing need.

The gap between the top line and the bottom two is the difference between being in core housing need and being in affordable shelter. With rents rising faster than incomes, rent costs are becoming even more unaffordable for those working at minimum wage and for people living on EIA. A family who receives EIA has a $474/month deficit between their income (including EIA and Federal benefits) and the average cost of rent.

d. Food Banks

The number of food bank users in 2009 - 2010 increased by 21%. This was the greatest increase of all of the provinces in Canada. 4.9% of all Manitobans required help with food in 2010. Manitoba has the highest percent of food bank users who are children (51.0%) and the highest percent of food bank users who are seniors (15.4%). The percent of the province's population needing emergency food rose more than the Canadian average in 2010.

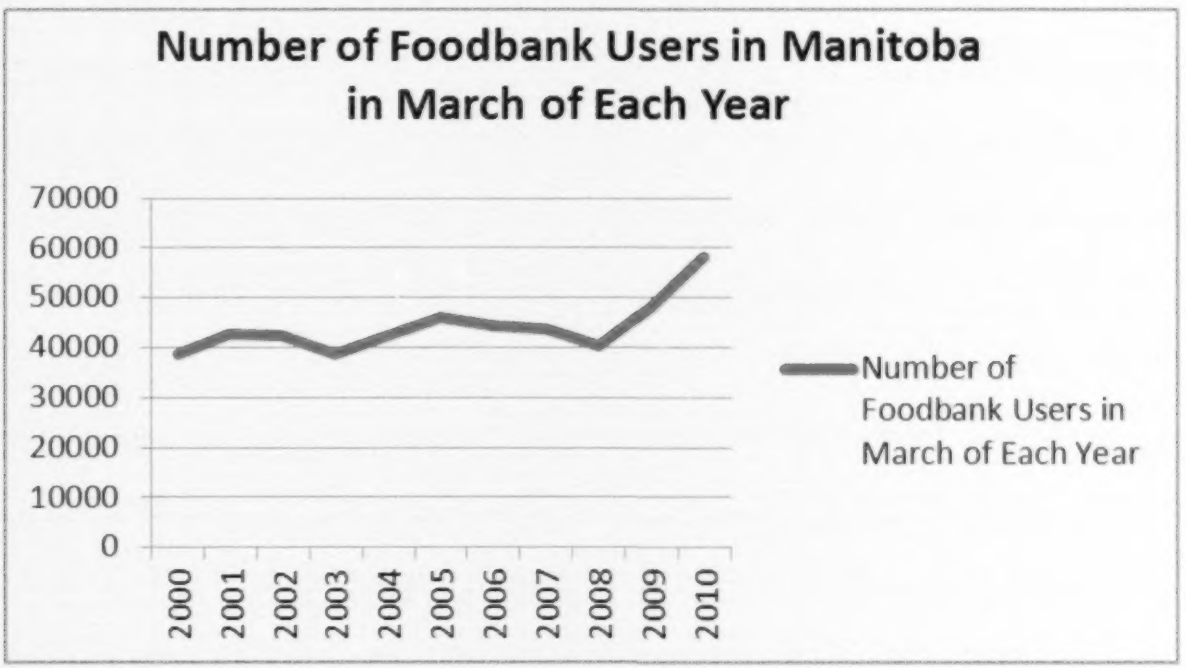

Chart 21 The number of Food bank Users in Manitoba, 2000-2009

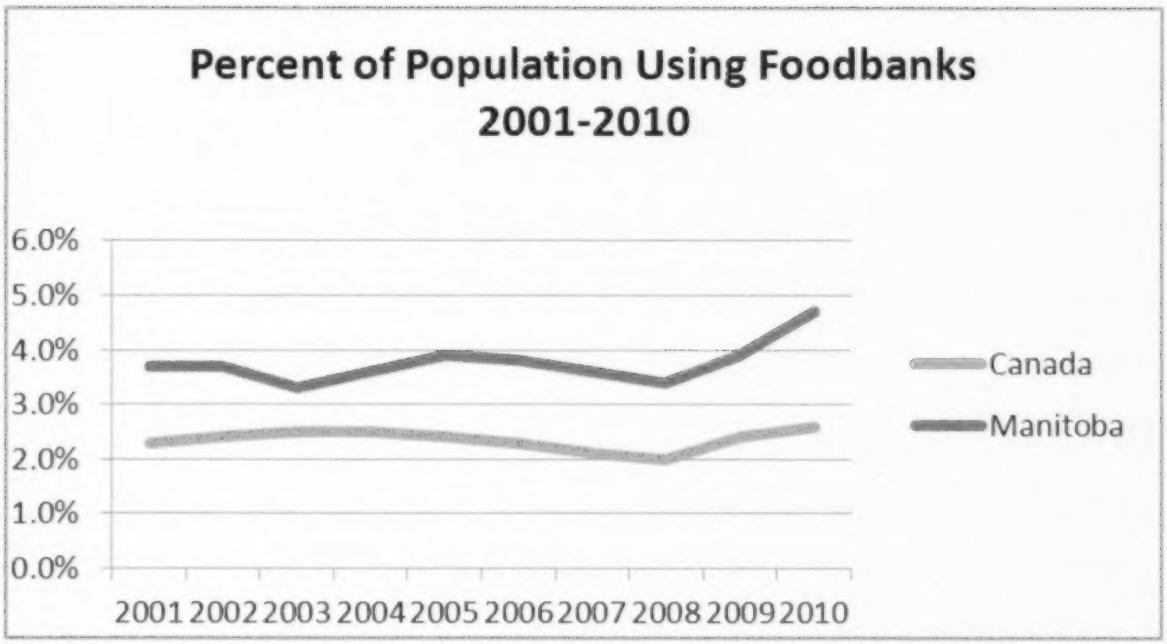

Chart 22 Percent of the Population Using Food banks, 2001-2010, Canada and Manitoba.

Almost 5% of all Manitobans needed help from a food bank in 2010. More than half of them were children.

Many people who utilize the food bank have had a sudden change in income, like losing a job or a sudden illness, and need some emergency assistance in the short term. Others, who live on insufficient incomes for extended periods, use food banks regularly. In Manitoba, 49% of people using a food bank receive social assistance, meaning that the EIA budget does not allow a family to purchase the food necessary to survive.

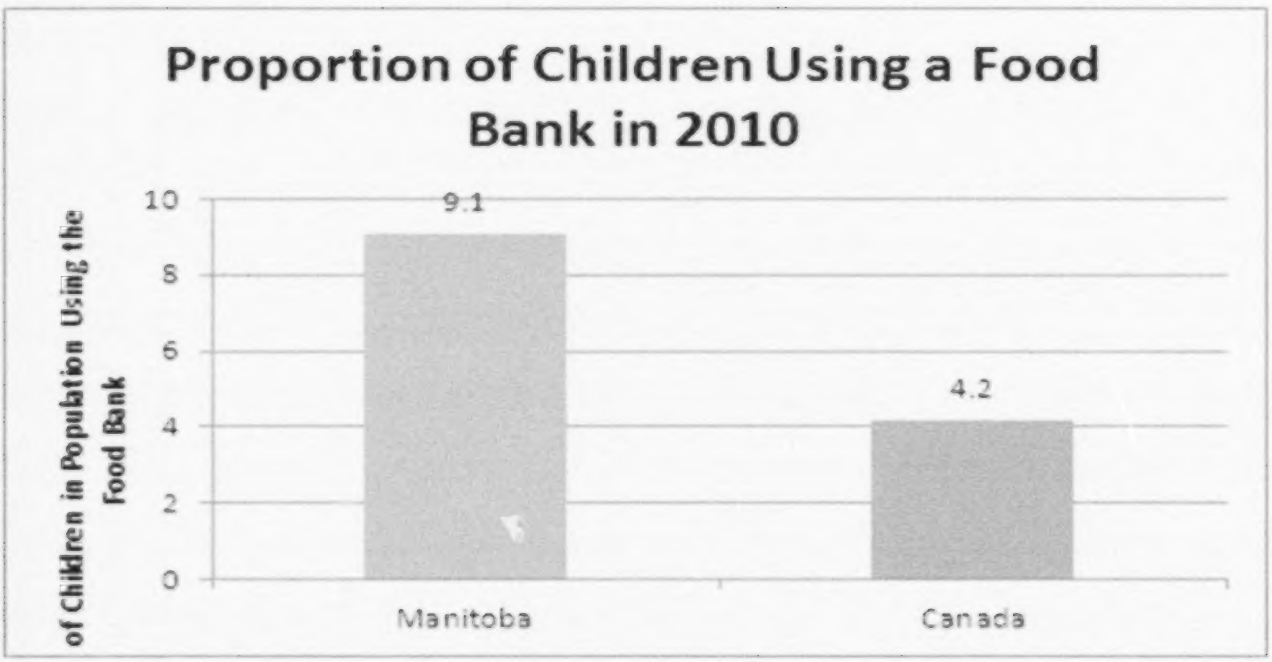

Chart 23- Proportion of Children Using a Foodbank in 2010, Canada and Manitoba

In March 2010, 29,578 children in Manitoba accessed food banks. These numbers equal the total population of Portage la Prairie and Thompson without enough food to eat. A study of hunger and children in 2010 showed youth who experienced hunger at some point before the study were 11% more likely to have a chronic health condition, and people who have experienced hunger were almost three times as likely to say they were in poor health.

In New Brunswick, a study by Lynn McIntyre on changes to the Canada Child Tax Benefit claw back, which increased single mothers' incomes by just $120/month, showed that the increased income decreased the likelihood of hunger in the household by 1/3 and the likelihood of hunger for the mother by 1/5.

e. Health and Health Care

It has been apparent for a number of years, and demonstrated in a variety of studies, that people who live in poverty have poorer health outcomes and higher use of emergency services. Dr. Evelyn Forget, professor of Community Health Sciences at the University of Manitoba found that a Guaranteed Annual Income experiment in Dauphin, Manitoba from 1974-1978 significantly decreased hospitalizations, accidents and injuries, and mental health issues.

The 1998/99 Canada Health and Social Survey, showed that people in the lowest income quintile were up to twice as likely to be hospitalized. In addition, the Manitoba Centre for Health Policy revealed that the mortality rate for children under five years of age is higher among lower socioeconomic groups, and the socioeconomic gap is growing for teenage pregnancy rates, diabetes prevalence, and cumulative mental illness, among other illnesses.

Studies with people experiencing homelessness have demonstrated that the cost of providing adequate housing is often less than the cost of the emergency services, especially emergency health services that the homeless consume.

f. Employment Insurance

There were about 16,000 people receiving employment insurance (EI) in the fall 2011 in Manitoba. A great many more people who have paid EI premiums are not eligible for benefits, as only about 39% of unemployed women and 46% of unemployed men across Canada received benefits in 2008. The maximum benefit for EI is currently $468/week, or $24,336 per year. This is below any poverty line for families of two people or more.

Youth are disproportionately affected by increasing unemployment, and due to their often part-time, seasonal, casual, and temporary employment, they are rarely protected by EI. For over seven years after the recession of the early 1990's, youth faced higher unemployment and lower labour force participation. The unemployment rate for the age group 15 - 24 is 13%, nearly double that of older age categories and in 2011, 38 per cent worked in part-time jobs.

g. Charities and Community

Poverty and income inequality are related to a number of social problems that not-for-profits and governments dedicate vast amounts of time and resources to addressing, including youth gang involvement and poor educational outcomes. In the fiscal year of 2010/11, the United Way spent over $15 million in funding for agencies, most of which deal in some way with the effects of poverty.

Children in low income neighbourhoods in Winnipeg were much more likely than those in middle and higher income neighbourhoods to be "not ready" for school physically, meaning coming to school not dressed properly, hungry, tired, or late. Early learning affects a child's educational outcomes into high school. High school completion rates for children in the lowest income categories have changed little in the past 10 years. In 2002, students in the lowest income quintile, entering grade 9 were almost half as likely to graduate within six years as those in the highest income quintile.

Studies have linked youth poverty to involvement in gangs. This is not to suggest all poor youth will join gangs, or that gangs consist solely of low-income people. Young people from low-income families are at a higher risk to be recruited into gangs with the promise of fast money. Others join for protection or because they perceive a lack of other options or choice in their future. It costs at three times more just in direct expenditures to put a person in prison than to fund an employment and training program for a youth at high risk of gang involvement. It is hard to estimate how much of an economic investment in a youth's future could be made by preventing the youth from becoming 'high risk' in the first place.

4. Trends and Projections

So what does the future look like for those living in poverty? Unfortunately, the portrait revealed in this report does not appear to be improving.

Data from 2009 indicates that the recession has increased the number of children living in material deprivation and though Manitoba's economy is faring better than other provinces, people with the most limited resources are the ones suffering most. Changing commercial conditions in the United States and Europe also indicate that our national economy overall is still potentially vulnerable.

Employment, a key determinant in projecting poverty levels in the future does not appear to be poised to increase significantly in the next few years. Currently unemployment is at about 6.1 per cent of the workforce - about 41,100 Manitobans are looking for work. For those who are at low salaries, wages might be incrementally increasing, often pegged to the cost of living, but not much more. Wages are not significantly increasing for those working in the informal, non-unionized private sector. Though the minimum wage will increase to $10.00 an hour in October 2011, it will not raise family income above any of the poverty lines used in Canada. At this rate, a family with two adults and two children would need one adult working 68 hours per week to reach the poverty line, a single parent with two children would need to work 58 hours per week. For those in sales and service jobs, predominantly new immigrants, women and young people, varying hours and low job security will remain an issue.

The cost of living in Manitoba is increasing faster than the incomes of families in poverty and these costs are likely to rise. The Consumer Price Index shows this, especially for the most basic of needs. Statistics Canada reported that food prices have increased by 4.3% from June 2010 to June 2011. Some foods rose even more, with fresh vegetables costing 8.4% more.

Housing availability and costs have been rising for the last decade and though the long-term trend appears to be a levelling off, this will not happen immediately and will not happen for the rental market without significant government efforts. Currently rental vacancies hover around 0.8 per cent of all rental accommodation. A vacancy rate of 3-5% indicates a healthy rental market.

Rental property owners are selling more rental apartments as condominiums and renovating units to raise rents, thus making more profit while displacing low-income people. Rent for two bedroom units has increased by 34.6% and by 45.9% for three bedroom units since 2003, and the cost of accommodation is therefore anticipated to rise in the next few years. For people experiencing homelessness, the prospects of finding affordable, safe housing are decreasing even with the Provincial government funding more special housing and constructing social housing.

Pressures on housing from demographic movement are policy induced and a result of economic conditions in other countries, on Reserves and in Manitoba's rural areas. The Conference Board of Canada has projected that Winnipeg will need to accommodate about 70,000 more people over the next 10 years. The Government of Manitoba is encouraging more immigration to the province to grow the economy, increasing the numbers of families, especially large families, who rent their homes. Without a federal, provincial or municipal housing strategy, low income families will be the most affected by decreasing availability.

At a broader level, economic conditions in the United States and Europe indicate that our national economy is still potentially vulnerable as we depend so much on exports. If markets do collapse, it will affect business and jobs in Canada. Related to these forces, the federal government is committed to debt and deficit reduction and if the Conservatives follow the pattern set in Britain and the United States, we can expect to see reductions in social transfers and other federally funded supports for Canadians if national revenue does not grow.

A consequence of these conditions is that people are going to be relying on social supports to get by. The food banks, meal programs, emergency shelters, used clothing stores and community support programs are going to rise as more people request assistance. The numbers of people applying for Employment and Income Assistance (EIA) and though EI does not meet the needs of some of the unemployed there have been many serious criticisms of the program.

People living on a fixed income are likely going to see a change in their capacity to purchase what they need to live. While there is a public perception that seniors have a significant bank of resources to rely on, more and more of the people aged 60 years and over are finding they have not accumulated the savings they need. Pensions and investments have been adversely affected by market conditions, as most seniors do not have defined benefits pensions that are indexed and adjusted to rate of inflation. More privatized health care services can also add costs to their lives as only some seniors have extended health care benefits.

Another segment of our society who will bear a larger burden of poverty and the negative changes in our economy is young people. This report has focused on children in poverty, and much research has shown that poverty in childhood has negative effects into young adulthood and later in life. Young people generally are more vulnerable to economic recessions and tend have higher unemployment, lower wages and higher debt.

Recent government plans to reduce poverty may give some hope to those living in poverty. In May 2009, the Province announced its poverty reduction and social inclusion strategy, 'ALL Aboard', that pledged to focus resources on four key areas to reduce poverty and promote prosperity:

- safe, affordable housing in supportive communities
- education, jobs and income support
- strong, healthy families
- accessible, co-ordinated services

The province has not set targets or timelines to measure its progress during the committed time frame of the program. The ability to measure significant changes on the number of children affected by the program are unavailable at this time, however, according to the *Poverty Reduction Strategy Act* (legislation passed in June 2011), the province must, "prepare a yearly statement, to be tabled in the Legislative Assembly along with the budget, which will explain how the strategy is implemented by the budget, what the financial implications of the strategy will be, and what indicators (as prescribed in regulation) will be used to measure the progress of the strategy."

The only small light at the end of the poverty tunnel are the few studies and comments of business oriented institutions that point to the economic advantages of reducing poverty and improving the distribution of wealth in society. As the awareness of the commercial, health and social benefits of equality increases there will be more effort to eradicate poverty, but this could take time. In the short term, income supports and services traditionally reserved for those on EIA should be extended to the working poor. For now, Manitobans living in poverty or on its precarious margins can expect continued financial stress and will still have to find new ways of making ends meet.

5. The National Campaign 2000

Campaign 2000 is a non-partisan, cross-Canada coalition of more than 120 national, Provincial and community organizations committed to working together to end child and family poverty in Canada. Campaign 2000 evolved out of a unanimous resolution passed by the House of Commons in November 1989, which called for the elimination of child poverty in Canada by the year 2000.

> ***"This House...seeks to achieve the goal of eliminating poverty among Canadian children by the year 2000."*** *Unanimous all-party resolution 1984*

The Manitoba Campaign 2000 Network is a coalition of more than 100 organizations, locally organized under the sponsorship of SPCW dedicated to the support of Campaign 2000 Initiatives within Manitoba.

Campaign 2000 urges all federal parties to work together and in collaboration with provinces, territories, communities and First Nations, on a Plan to Make Canada Poverty-Free. Each year since 1994, Campaign 2000 – Manitoba has provided both the federal and provincial governments with a list of recommendations. Though-out the years the recommendation have remained essentially the same, which would indicate a continued presence for Campaign 2000 to prompt of the two levels of government of the urgency and need to develop and create policy and programs to address child and family poverty.

End Child & Family Poverty in Canada

Since its inception, Campaign 2000 has grown to become a vibrant network of national, regional and local partner organizations that actively work on child/family issues from diverse perspectives. There are over 120 national, community and provincial partners actively involved in the work of Campaign 2000. Hundreds of other groups across the country work on the issue of child poverty every day, such as children's aid societies, faith organizations, community agencies, health organizations, school boards, and low-income people's groups. The primary ways that Campaign 2000 advocates for eradicating poverty are through:

Recommendations

- An enhanced child benefit for low-income families to a maximum of $5,400 ($2010) per child;
- A system of high-quality early childhood education and child care services that is affordable and available to all children (0-12 years)
- Restored and expanded eligibility for Employment Insurance;
- Increased federal work tax credits of $2,400 per year;
- A federal minimum wage of $11 per hour;
- A strategy for affordable housing, secured in legislation such as Bill C-304, *An Act to ensure secure, adequate, accessible and affordable housing for Canadians,* including substantial federal funding for social housing;
- Proactive strategies, including employment equity in the public and private sectors, to level the employment playing field for rural communities and historically disadvantaged groups;
- Appropriate poverty eradication targets, timetables and indicators for Aboriginal families, regardless of where they live, developed in coordination with First Nations and urban Aboriginal communities.

Recommendations for the Manitoba Provincial Government

- Appropriate poverty eradication targets, timetables and indicators for the All Aboard Plan to reduce poverty and social exclusion
- Within one to 2 years, increase Employment and Income Assistance benefits for all categories to the present value of 1992 levels and index them to annual increases in the cost of living so that they maintain their value.
- A provincial minimum wage, which would lift a full time full year worker out of poverty;
- Expand the system of high-quality early childhood education and child care services so that is affordable and available to all children (0-12 years);
- Eliminate the minimum $2.00/child/day surcharge for child care paid by working poor families if receiving full subsidy
- Develop a good job strategy to decrease the proportion of low wage jobs causing child and family poverty in Manitoba
- Eliminate the $2.00 per child per day charge not eligible for government subsidy, which can be levied on working poor families even if they receive the full government subsidy

  Index the child care subsidy eligibility level annually to the cost of living

Social Planning Council of Winnipeg

The SPCW is a membership-based organization in the voluntary sector committed to providing leadership in social planning and effecting social policy changes. This involves working with diverse communities in identifying and assessing community issues, needs and resources; and working with policymakers, funding agencies, service providers, ethno-cultural and Aboriginal groups and the public in Winnipeg to respond to socio-economic issues and needs. The SPCW has sponsored and supported Campaign 2000 since it was launched.

Social Planning Council
of Winnipeg

Gini Co-Efficient – Global Ranking

- Denmark 0.232
- Sweden 0.234
- Austria 0.265
- Finland 0.269
- Belgium 0.271
- Netherlands 0.271
- Switzerland 0.276
- Norway 0.276
- Germany 0.298
- Austria 0.301
- Canada 0.317
- Japan 0.321
- Ireland 0.328
- UK 0.335
- Italy 0.352
- USA 0.381

1.The LIM (before and after tax) data is calculated from the T1FF files, taking into account all tax filers in a given year. Families are defined as 'census families.' Data using the Market Basket Measure was retrieved from Statistics Canada's Low Income, Series 800, tables. This is calculated from the Survey of Labour and Income Dynamics and has a slightly different sample than the T1FF data. Both are understood to yield acceptable estimates for the Manitoba population.

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3.This includes people who may have two or more part-time, casual, or temporary jobs with total hours worked adding to the equivalent of a full year, full time job.
4. Data for New Brunswick and PEI was unavailable
5. This data is from the SLID from Statistics Canada, utilizing a different sample than other LIM data in this report. Though both sets of data have a 95% confidence rate, they differ slightly. Provinces not included in the chart had unreliable or unavailable data.
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7. For this measure, Statistics Canada uses the definition of economic families, meaning two or more persons living in the same household related by blood, marriage, common law or adoption.

8.This varies a little depending on the age of the children
9. Based on number of participants in single parent category minus number of cases, as each case would represent an adult parent. Government of Manitoba. (2009). Family services and housing annual report. Retrieved from http://www.gov.mb.ca/fs/about/annual_reports/2008-09/FSH_Annual_Report_08_09_en.pdf
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